

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-08 /029 R

DRAFTED BY OPIC/ID/LA:BTMANSBACH  
APPROVED BY EB/IFD/OIA: MPBOERNER  
OPIC/D/RSSMITH  
EB/IFD/OIA:DVGRANT  
OPIC/AP:RMPOATS  
ARA/ECA:SMYLES

-----009238 230022Z /64

P 222226Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BRASILIA PRIORITY  
INFO AMCONSUL RECIFE PRIORITY  
AMCONSUL BELEM PRIORITY

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC--FIRST NATIONAL BANK OF BOSTON

1. THIS CABLE IS TO CONFIRM MARSHALL/MANSBACH AUGUST 18 TELCON.
2. ON AUGUST 2, OPIC BOARD OF DIRECTORS APPROVED ISSUANCE OF INSURANCE CONTRACT TO COVER A LOAN BY THE FIRST NATIONAL BOSTON CORPORATION (FNBC) TO THE BRASILIA BRANCH OF THE FIRST NATIONAL BANK OF BOSTON (FNBB) IN THE AMOUNT OF US DOLLARS 50 MILLION. IN OPIC'S VIEW, PURPOSE AND APPROACH OF FNBC LOAN MAKE PROJECT UNIQUE AND DEMONSTRATE HOW PRIVATE SECTOR CAN ASSIST IN DEVELOPMENTAL PROJECTS. THE MOST IMPORTANT ASPECTS OF THE INVESTMENT ARE AS FOLLOWS:

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A. FUNDS FOR THE FNBC/FNBB LOAN WILL BE SOURCED IN U.S. SHORT TERM COMMERCIAL PAPER MARKET WHICH CARRIES AN INTEREST RATE OF APPROXIMATELY ONE PERCENT LESS THAN LIBO.

B. PURPOSE OF FNBC'S MAKING THE LOAN TO FNBB'S BRASILIA BRANCH (RATHER THAN RIO OR SAO PAULO) IS TO ATTEMPT TO DEVELOP A SIGNIFICANT FINANCING SOURCE IN THAT CITY.

C. IN AGREEMENT WITH OPIC, FNBC WILL COMMIT ITSELF TO

REQUIRE FNBB TO UTILIZE THE LOAN PROCEEDS FOR RELENDING ON A MEDIUM OR LONG TERM BASIS FOR PROJECT FINANCING IN THE LESSER DEVELOPED AREAS OF BRAZIL.

3. IN CONNECTION WITH PARAGRAPH 2(C) ABOVE, FNBB HAS HELD DISCUSSIONS WITH REPRESENTATIVES OF THE CENTRAL BANK AND

OF THE BNDE TO ELICIT THEIR SUPPORT AND ASSISTANCE IN FINDING APPROPRIATE DEVELOPMENTAL PROJECTS. IT IS OPIC'S BELIEF, HOWEVER, THAT SMALLER AND MORE LABOR INTENSIVE PROJECTS COULD PROBABLY BE IDENTIFIED THROUGH STATE AND REGIONAL DEVELOPMENT INSTITUTIONS. TO THAT END, OPIC DIRECTOR FOR LATIN AMERICA (INSURANCE), B. THOMAS MANSBACH, WISHES TO VISIT THE FOLLOWING INSTITUTIONS WITH REPRESENTATIVES OF FNBC/FNBB (JEFFREY MORBY, SENIOR VICE PRESIDENT OF FNBB IN BOSTON AND A MANAGER OF FNBB IN RIO/BRASILIA) IN ORDER TO ENHANCE COLLABORATION ON DEVELOPMENTAL PROJECTS AND TO ASSURE THAT HIGHLY DEVELOPMENTAL PROJECTS IN THE LESS DEVELOPED PARTS OF BRAZIL CAN, IN FACT, BE IDENTIFIED AND ESTABLISH THE TYPES AND LEVEL OF ASSISTANCE WHICH THESE INSTITUTIONS CAN PROVIDE FOR THE BANK AND VICE VERSA:

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- A. BRASILIA - BNDE, SUDAM, SUDECO, INCRA, INDA
- B. RECIFE - SUDENE
- C. FORTALEZA - SUDEC
- D. MANAUS - SUDAM
- E. BELEM - SUCH DEVELOPMENTAL AGENCIES AS MAY BE KNOWN TO CONSUL.

4. OPIC/FNBB ITINERARY IS AS FOLLOWS:

SUNDAY, AUGUST 28 - ARRIVE BRASILIA (EVENING).  
TUESDAY, AUGUST 30 - DEPART BRASILIA VIA QD 510 AT 10:30AM  
--ARRIVE RECIFE 1:35 PM.  
WEDNESDAY, AUGUST 31 - DEPART RECIFE VIA VP 190 AT 11:45AM  
--ARRIVE FORTALEZA 12:45 PM.  
WEDNESDAY, AUGUST 31 - DEPART FORTALEZA VIA SC 300 AT  
--8:45 PM, ARRIVE MANAUS 12:25 AM.  
FRIDAY, SEPTEMBER 2 - DEPART MANAUS VIA VP 191 AT 9:15AM  
--ARRIVE BELEM 12 NOON.

WITH THE EXCEPTION OF BRASILIA, WOULD APPRECIATE BEING MET AT AIRPORTS WHERE FEASIBLE AND WOULD APPRECIATE EMBASSY/CONSUL ARRANGING HOTEL ACCOMMODATIONS. REQUEST

EMBASSY CONCURRENCE.

5. WOULD APPRECIATE EMBASSY/CONSUL/CONSULAR AGENTS MAKE APPOINTMENTS WITH HIGHEST LEVEL REPRESENTATIVE POSSIBLE IN EACH OF LISTED INSTITUTIONS, PLUS WHATEVER OTHER INSTITUTIONS OR BANKS MAY BE APPROPRIATE. BELIEVE THAT SELLING POINT OF PROGRAM IS THAT THIS IS AN OPPORTUNITY FOR EACH INSTITUTION TO MAKE ITS PLANS KNOWN TO A NEW SOURCE OF FINANCING, BEARING IN MIND THAT FNBB WILL BE LENDING TO PRIVATE SECTOR OR MIXED COMPANIES RATHER THAN TO DEVELOPMENT BANKS AND LOANS WILL BE MADE ON COMMERCIAL (AS OPPOSED TO CONCESSIONAL) BASIS.

6. FOR BELEM: PLEASE PASS CONTENTS OF CABLE TO CONSULAR UNCLASSIFIED

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AGENT IN MANAUS.

7. FOR BRASILIA: IN ADDITION TO ABOVE MEETINGS, MANSBACH WOULD ALSO APPRECIATE APPOINTMENT WITH APPROPRIATE FIRCE OFFICIALS TO REVIEW STATUS OF APPLICATIONS FOR FGA'S. MANSBACH WILL ALSO BE PREPARED TO DISCUSS CURRENT STATUS OF NEW RESTRICTIONS ON OPIC PROGRAMS IN BRAZIL WITH EMBASSY AND, IF APPROPRIATE, WITH GOB OFFICIALS. CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**TAGS:** EINV, US, BR, OPIC, FIRST NATIONAL BANK OF BOSTON  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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